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MINISTRY OF LABOUR AND EMPLOYMENT

RESOLUTION

New Delhi, the 2nd March 1960

No. WB-8(78).—By their Resolution No. WB-1(3), dated the 30th March, 1957, the Government of India appointed a Central Wage Board for the Cotton Textile Industry with the following composition and terms of reference:

I. Composition

Chairman	Shri F. Jeejeebhoy.
Independent Members	Shri Asoka Mehta. Prof. M. V. Mathur.
Members representing employers	Shri Arvind N. Mafatlal. Shri Bharat Ram.
Members representing workers	Shri G. Ramanujam. Shri S. R. Vasavada.

II. Terms of reference

- (a) to determine the categories of employees (manual, clerical, supervisory etc.) who should be brought within the scope of the proposed wage fixation;
- (b) to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages.

Explanation

in evolving a wage structure, the Board should in addition to the considerations relating to fair wages, also take into account:—

- (i) the needs of the industry in a developing economy;
 - (ii) the requirements of social justice; and
 - (iii) the need for adjusting wage differentials in such a manner as to provide incentives to workers for advancing their skill;
- (c) to bear in mind the desirability of extending the system of payment by results;

Explanation

in applying the system of payment by results the Board shall keep in view the need for fixing a minimum (fall-back) wage and also to safeguard against overwork and undue speed.

2. The Board's unanimous report was received by Government on the 1st December, 1959. A summary of the main recommendations of the Wage Board is appended.

3. After careful consideration, Government has decided to request the employers and workers and State Governments to take immediate steps to implement the unanimous recommendations of the Wage Board. Since the recommendations represent agreed conclusions between the representatives of employers and workers, Government expect that the parties concerned will show a spirit of accommodation in interpreting the recommendations and difficulties, if any, will be solved by direct discussions between them and, if necessary, with the assistance of the State Government concerned.

4. The Board have drawn pointed attention to the importance of speedy rationalisation and stressed that the process of rationalisation and modernisation should be enforced, if necessary, even with the assistance of Government's intervention. It may be recalled here that several textile units have varying labour strength for similar units of machinery and plant in the country. The working conditions of different textile units also vary in degree. It is, therefore, very necessary that the work-loads and the working conditions should be rationalised as early as possible within the framework of the recommendations of the Indian Labour Conference. The Industry, labour unions and the Government have, therefore, to bring about the process of rationalisation with a determined effort.

5. The Board have recommended that dearness allowance should be linked to the cost of living index in all centres, and if any centre has no such cost of living index, the index of the nearest centre should be taken for such linking. The Board have also recommended that where there is only a consolidated wage or a fixed dearness allowance, it should be made adequate and linked to the cost of living index by a suitable machinery. For facilitating the implementation of these recommendations in an expeditious manner, Government have decided to appoint a National Tribunal which will go into the issues raised, if any, by either of the parties.

6. There have been certain increases in the wages which have taken place in different textile units since the industry made their submission to the Wage Board. All such increments or increases, excepting the increases awarded by an Industrial tribunal or by any other statutory body, that have been so given by the textile units, will be considered a part of any increase that might take place as a result of the implementation of the Wage Board's recommendations in different aspects.

7. There have been certain textile units which are at present closed down or which had been or are under enquiry under Section 15 of the Industries (Development and Regulation) Act. Government will consider separately the application of the Wage Board's recommendations to such units.

8. Government hope that having regard to the need for building up a healthy industry and the necessity to maintain industrial peace which will assist in rehabilitation and modernisation of the industry, the industry and the employees will take necessary steps to implement the recommendations. Should, however, an occasion arise in which there is any serious difference of opinion in regard to interpretation of recommendations, or where there is any major difficulty in implementing the recommendations, Government may, if necessary, refer the matter to a suitable machinery.

9. The Government of India wish to express their appreciation of the Board's work in dealing with the complex question of wages in the cotton textile industry and connected matters and reaching unanimous conclusions.

ORDER

Ordered that the Resolution be published in the Gazette of India.

Ordered also that a copy of the Resolution be communicated to:—

- (i) All State Governments and Union Territories;
- (ii) All Ministries of the Government of India, Planning Commission and the Cabinet Secretariat;
- (iii) All India Organisations of Employers and Workers.

APPENDIX

SUMMARY OF MAIN RECOMMENDATIONS OF THE CENTRAL WAGE BOARD
FOR COTTON TEXTILE INDUSTRY

1. The decisions of the Board are unanimous and must be taken as an integral whole and any attempt to isolate them would be contrary to the scheme of recommendations.
2. For the good of the industry, of labour, and of the consumer, certain desirable minimum standards in workloads should be achieved throughout the industry as soon as possible.
3. For a period of 5 years from 1st January 1960, no claim for further revision of minimum wages should be made by either the employers or the workmen.
4. In the interests of all concerned, it is necessary that the process of rationalisation should continue and progress everywhere in the industry. The rationalisation of several occupations in Bombay, Ahmedabad and Colmbatore should be adopted as useful guides for the progressive rationalisation by mills which have not reached that standard of rationalisation within the next 5 years.
5. As a result of rationalisation, there should be no retrenchment or loss of earnings of the existing employees, there should also be an equitable sharing of the gains of rationalisation as between the community, the employer and the worker and there should be a proper assessment of workloads.
6. In order to avoid disputes arising out of rationalisation, there should be machinery at Regional and National level to settle questions of rationalisation.
7. Time has come for the active participation of the Government concerned for the speeding up of the process of rationalisation.
8. For the purposes of wages, the industry should be divided into two categories; mills in Bombay City and Island (including Kurla), Ahmedabad, Baroda, Billimora, Navasari, Nadiad, Surat, Phagwara, Hissar, Delhi, Modinagar, Calcutta City, the whole of Madras State and Bangalore coming in the 1st Category and mills in other centres in category II.
9. An increase at the average rate of Rs. 8/- per month per worker shall be given to all workers in mills in Category I from 1st January 1960 and a further flat increase of Rs. 2/- per month per worker shall be given to them from 1st January 1962.
10. An increase at the average rate of Rs. 6/- per month per worker shall be given to all workers in mills of category II from 1st January 1960, and a further flat increase of Rs. 2/- per month shall be given to them from 1st January 1962.
11. The increase in the basic wage are subject to the condition that the said sums of Rs. 8/- and Rs. 6/- shall ensure not less than Rs. 7/- and Rs. 5/- respectively to the lowest paid, and that the increase of Rs. 2/- from 1st January 1962 shall be flat for all.
12. The dearness allowance should be linked to the cost of living index in all centres, and if any centre has no such cost of living index, the index of the nearest centre should be taken for that purpose.
13. In certain places, there is only a consolidated wage or a fixed dearness allowance. In both cases the total wages are comparatively lower. The dearness allowance in these places should be made adequate and linked to the cost of living index by a suitable machinery.
14. The dearness allowance in Madras State should be increased so as to give full neutralisation for the rise in the cost of living to the workers on minimum basic wage with 1936-39 as the base.
15. The dearness allowance should be consolidated with the basic wage at an index which will yield an amount equal to three-fourths of the average dearness allowance of the first 6 months of 1959 and the remaining 25% dearness allowance shall continue as dearness allowance and shall have a flexible character, and shall rise and fall according to the future cost of living; and the difference between the point at which the current index is merged shall be compensated according to existing method and at the existing scale.

16. The amount of gratuity, wherever calculated in terms of basic wages, shall be paid in terms of the existing basic wage upto 31st December, 1959; but from 1st January, 1960 the basic for such purpose will be that basic wage plus the increases given but excluding the dearness allowance consolidated.

17. The consequential adjustments in the emoluments of the rest of the workmen should be worked out by the employers and the workmen in accordance with the tenor of the Report subject to the terms of para 106 of the Report.

18. The scales of pay of Junior and Semi-clerks shall be as follows:—

1. Junior clerks of mills in Category I.	}	Rs. 75—5—105—7½—150—E.B.—10—200—12½—250.
2. Junior clerks of mills in Category II.		Rs. 60—5—90—6—120—E.B.—7½—150—10—200.
3. Semi-clerks of mills of Category I		Rs. 50—3—80—E.B.—5—125.
4. Semi-clerks of mills of Category II.	}	Rs. 40—3—70—E.B.—5—105.

19. A Junior clerk whose basic pay is already higher than the start of the new basic shall first be fixed in the new scale in accordance with his present basic wage; if he falls within two stages of the new scales, he shall be given the higher stage, and he shall then be given two increments in the new scale.

20. A Junior clerk whose present basic wage is less than the minimum of new scale shall first be brought up to the minimum of the new scale, and he shall then be given one increment for each year of service with a maximum of two increments.

21. The Semi-clerk shall also be fixed in the same manner as the junior clerk in the new scale.

22. Any semi-clerk or Junior Clerk already in receipt of a higher scale or higher total emoluments than those recommended, shall retain the excess as special pay.

23. The pay scales of other clerks, stenographers, etc., shall be suitably fixed by the employers in consultation with the employees having regard to their respective duties and responsibilities in such a way that their emoluments are advanced to keep in step with the advances in the wages of the Junior clerks.

24. The efficiency bar must be sparingly applied and only in cases of distinct fall in efficiency.

25. It is not feasible to consolidate the dearness allowance with basic wage of clerks, because of their time scales. The clerks shall receive monthly the amount of dearness allowance which is merged in the basic wage of the operatives, as a special higher cost allowance, plus the dearness allowance of the operatives plus

For basic wage up to and including Rs. 100/-	Rs. 7½/-
Between 101—200	Rs. 15/-
Between 201—300	Rs. 22½/-
Beyond 301	Rs. 25/-

26. The semi-clerks shall receive monthly the amount of dearness allowance which is merged with the basic wage of the operatives as a special higher cost allowance, plus the dearness allowance of the operatives.

27. The special high cost allowance shall be treated as an addition to basic wage and new entrants shall also be eligible for it. The special high cost allowance shall count for Provident Fund, and leave and holidays with pay, but not for gratuity where gratuity is expressed in terms of the basic wage.

28. There shall be no grade of a clerk below the grade of semi-clerk. Barring the semi-clerk, the lowest paid in the clerical staff should be deemed to be the Junior clerk and he must be fixed in the prescribed scale of the Junior clerk.

29. The recommendations relating to Junior clerks and semi-clerks shall take effect from 1st January, 1960.

30. There shall be no discrimination between men and women doing the same work.

31. By the introduction of Board's recommendations no existing amenities or benefits shall be affected and higher emoluments wherever they are being paid shall not be reduced.

32. In the present state of the industry it is not possible for financial considerations to go beyond what has been recommended but nevertheless the recommendations will on full implementation constitute a fresh landmark in the progress of the industry and in the improvement of the condition of service of the workers, who will find in the recommendations not only a present rise in earnings, but also fresh scope and initiative for the exercise of higher skills and consequent improvement of their standards. The Board regrets that even after a century's existence the industry is unable to pay a need based wage and considers that the stage has been reached when both the employers and the workmen should forgetter to lift the industry as a whole to a higher level, each making his contribution in his own way. The employers must adjust themselves to the changing climate of their responsibilities; and the workmen for their part must have a broader view of their duties in our social set up; and both must accept the inevitability of changes by rationalisation and modernisation if the industry is to flourish.

33. The Government should take timely steps for the implementation of the recommendations herein contained so that they might become effective from 1st January, 1960.

34. The Central and State Governments should take steps to maintain correct cost of living indices of the several centres. It would also be an advantage if statistical information as to the state of the industry, including information on prices, productivity and income in it could be suitably maintained by the Government of India so that the information may be readily available whenever required.

35. The recommendations of the Wage Board would apply to all clerical and manual workers in the composite and spinning mill sector of the industry.

P. M. MENON, Secy.

